



**Congressman Jim Jordan (R-OH), RSC Chairman**  
**Congressman Connie Mack (R-FL), RSC Repeal Task Force Chairman**

## **Repeal the Death Tax**

June 15, 2011

**Background:** The modern U.S. estate tax was enacted on September 8, 1916, under section 201 of the Revenue Act of 1916. Congress has since passed laws that have made temporary changes to both the estate tax rate and the exemption amount. In 2009, the estate tax rate was 45% and the exemption amount was \$3.5 million. On January 1, 2010, a one year repeal of the tax was implemented with a temporary, one-year-only estate tax rate of 0%. In December 2010, Congress passed legislation to limit the tax to 35% with a \$5 million exemption for 2011 and 2012.

In March, Congressman Kevin Brady (R-TX) introduced H.R. 1259, the Death Tax Repeal Permanency Act of 2011.

### **What We Know:**

- **What the Bill Will Do:** Amend the Internal Revenue Code to: (1) repeal the estate and generation-skipping transfer taxes, and (2) make permanent the maximum 35% gift tax rate and a \$5 million lifetime gift tax exemption.
- **Keep Businesses Intact:** The U.S. Department of Agriculture confirmed the Death Tax is one of the leading causes of the breakup of multigenerational farms and ranches. A repeal of this tax will increase stability in family-owned business, therefore creating more jobs.
- **Low Tax Burden:** Congress must ensure tax relief for working Americans. Maintaining a low tax burden is essential for our economic growth and competitiveness.

### **The Case for Repeal:**

- On January 1, 2013 the estate tax is set to return at a top marginal rate of 55 percent (with an additional 5% surtax for certain estates) on all assets above a \$1 million exemption amount. Small business owners and their families should not be punished with excessive and unfair taxes. For this reason, it is necessary to support H.R. 1259, the Death Tax Repeal Permanency Act of 2011.

**Conclusion:** The Death Tax Repeal Permanency Act of 2011 is necessary to help family business owners recover, create new jobs, and restart America's economy.

**MEMBER ACTION ITEM:** All RSC Members are encouraged to cosponsor H.R. 1259, the Death Tax Repeal Permanency Act of 2011. Please contact Kimberly Thompson Ellis at 5-4901 or [kimberly.ellis@mail.house.gov](mailto:kimberly.ellis@mail.house.gov) to support this legislation.

If you would like to participate in the RSC Repeal Task Force, please [Curtis.Rhyne@mail.house.gov](mailto:Curtis.Rhyne@mail.house.gov).

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